

FY 2007 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

PROGRAM: UNEMPLOYMENT INSURANCE

TIMELINE: October 1, 2006 through September 30, 2007

PROGRAM MISSION STATEMENT

Everything we do is aimed at providing the highest quality unemployment insurance services, ensuring the economic growth of Michigan – its employers and its workers.

PROGRAM STATEMENT

The Unemployment Insurance program is administered under state laws in compliance with federal laws and regulation. Established in 1935, its purpose is 1) to pay temporary partial compensation to unemployed workers for periods of involuntary unemployment; and 2) to stabilize the economy by maintaining the spending power of the workers while they are between jobs.

The Agency includes the following four Divisions:

Customer Service

The Customer Service Division has three (3) Remote Initial Claim Centers (RICC). The RICC are located in Detroit, Grand Rapids, and Saginaw. Through these centers, the agency accepts claims for unemployment insurance benefits from unemployed workers, determines if the unemployed worker qualifies for benefits, and authorizes payments when applicable.

Benefit Services

The Benefit Services Division is comprised of two offices – External and Internal Benefit Services.

External Benefit Services – The External Benefit Services units and offices provide outreach to external customers. Also, responsible for designing and implementing statewide surveys, providing UIA information to Michigan Works! Agency centers and overseeing Problem Resolution Offices equipped with technological tools and resources as well as face-to-face interaction between UIA employees and their customers. These units and offices are:

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Multi-Claimant Unit

Multi-Claimant Unit handles unemployment claim cases that involve separations of more than one person on the same date, for the same reason such as misconduct, voluntary leaving, theft, assault & battery etc., all labor disputes, lockouts and shutdowns, all school denial periods including releases for school bus drivers, coaches, food service workers etc. Multi Unit also handles company buy outs, severance packages, vacation and holiday pay, exempt employment (city officials) and DLEG employees.

Employer Customer Relations Unit

The Employer Customer Relations Unit answers employer questions regarding benefit eligibility, protests and appeals, employer account and other general unemployment and tax-related questions. The unit mails out requested forms and brochures to its customers. In addition, the unit refers customers to other departments and agencies as needed.

Problem Resolution Offices

The Problem Resolution Offices resolves customer problems and makes automated resources available to claimants. There are six offices located throughout the state in Gaylord, Grand Rapids, Lansing, Livonia, Marquette and Saginaw. The offices provide a means of resolving problems and an opportunity to use information to improve UIA services. PROs identify system-related issues thereby improving timeliness and efficiency of services provided to customers.

Administrative Analysis & Federal Reports Unit

The Administrative Analysis & Federal Reports Unit produces and transmits more than 20 federally mandated reports. The unit also gathers and analyzes economic and demographic data and generates program statistical reports which are provided on weekly, monthly quarterly and annual schedules as well as on request to internal customers, other state and federal agencies, legislative bodies, news media, etc.

Based on historical and current data, the unit formulates projections including (but not limited to) the Trust Fund, claims activity and workload. Forecasts are often requested when proposed or pending legislation may impact any of these items.

Reports include:

- Claims and Payment Activities
- Benefit Appeals & Time Lapse
- Characteristics of Insured Unemployed
- Payment time lapse data
- Nonmonetary Determinations Activities & Time Lapse
- Contribution Operations (trust fund)
- Combined Wage data
- Alien Claims Activity

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- Overpayment Detection and Recovery
- Worker Profiling
- Experience Rating (employer)

Wage Record Information & Reports Unit

The Wage Record Information & Reports Unit is responsible for wage database maintenance, all processes related to employers' quarterly Wage Data Reports (form UIA 1017), Friend of the Court sequestrations, System Alien Verification of Entitlement (SAVE), wage corrections (form UIA 1099) and crossmatch activities. The Agency uses wages reported by employers to calculate unemployment benefits.

The following methods are used to provide wage information to the UIA:

- Employer Quarterly Wage Detail Report (Form UIA 1017)
- 1017e (Web based) – generally 50 employees or fewer
- Electronic File Submission (EFS) – generally more than 50 employees
- 3480 magnetic tape cartridge – generally more than 50 employees

The Wage Record Unit is also the central processing location for processing wage verifications that are received from mortgage companies, housing agencies, and other government entities requesting information regarding unemployment payment and wages.

Surveys & MWA Outreach Unit

The Surveys & MWA Outreach Unit prepares, tabulates and evaluates survey instruments of internal and external Agency customers, and prepares reports of the results for the Executive Office. The Agency's Profiling and Reemployment Services Program also is centralized in this unit. The program identifies unemployed workers most likely to exhaust their claims and, in partnership with the Bureau of Workforce Programs and Michigan Works! Agencies makes reemployment services available to them. This unit also coordinates Agency Rapid Responses to employers planning layoffs. Other tasks handled by this unit include preparing monthly Management Information Systems Reports and fulfilling requests for Employer Posters and Employer Handbooks.

Advocacy Program

The Advocacy Program provides information, upon request, and subject to certain restrictions, consultation and representation at no cost to unemployed workers and employers, at the Office of Appeals and/or Board of Review levels of appeal. Advocates, who are independent contractors and have signed a contract with the Program, provide the consultation and representation services. Program staff will provide information about the appeal process, fact sheets about most common issues and a listing of Advocates.

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Internal Benefit Services – The Internal Benefit Services supports unemployment insurance functions by monitoring automated service delivery systems, operating employer filed claims, developing procedures, processing overpayment collections, reviewing the quality of claims processing and decisions, and processing special program claims. The units and offices under Internal Benefit Services are:

Benefit Accuracy Measurement (BAM) Unit

The Benefit Accuracy Measurement Unit operates the Paid Claims Accuracy (PCA) and Denied Claims Accuracy (DCA) programs, which are Federal quality control programs. Random samples of paid and denied unemployment insurance claims are audited weekly to determine the accuracy of the benefit payment or denial of benefits. The BAM Unit assesses the application of state and federal laws, policies, and procedures on claims audited to determine compliance. Recommendations are made for program improvements.

Tax Performance System (TPS) Program

The Tax Performance System reviewer assesses the quality of the Unemployment Insurance Tax Operations. Employer tax rates, status information, benefit charges, tax payments and accounts receivables are reviewed annually and recommendations are made for program improvements.

Benefit Payment Control (BPC) Unit

The mission of the Benefit Payment Control Unit is to preserve the integrity of the Unemployment Insurance (UI) Trust Fund through the use of crossmatch programs, and identify prevention and detection techniques for improper benefit payments. The BPC Unit detects UI benefit overpayments and issues fraud and non-fraud redeterminations.

Benefit Overpayment Collection (BOC) Unit

The purpose of the Benefit Overpayment Collection Unit is the collection of improperly paid benefits and the maintenance of benefit overpayment accounts.

Unemployment Insurance (UI) Benefit Procedures Unit

The UI Benefit Procedures Unit develops and revises benefit procedures and forms. The unit provides answers to questions about UI procedures and conducts the quarterly Benefits Timeliness and Quality (BTQ) review of nonmonetary determinations.

Federal Desk

The Federal Desk in UI Benefit Procedures allows or denies claims filed under the Unemployment Compensation for Ex-military Personnel Program (UCX). It also assists with claims filed by federal civilian employees under the Unemployment for Civilian Federal Employee (UCFE) Program and responds to federal employer charge protests.

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Combined Wage Claim (CWC) Unit

The Combined Wage Claim Unit administers Michigan's program that allows unemployed workers to increase benefit entitlement by combining wages earned in two or more states.

Interstate Program Coordinator (IPC)

The Interstate Program Coordinator acts as a liaison between Michigan and other states and the Department of Labor in regards to Interstate Benefits Claims and Combined Wage Claims. The IPC monitors reports and updates the IB Handbook and Vessel listing for Michigan. The IPC assists UIA employees with problems on Interstate Benefits and Combined Wage claims, and assists in implementing new applications on the ICON (Interstate Connection) system.

TRA (Trade Readjustment Allowance)/Special Programs Unit

The TRA/Special Programs Unit processes claims, and issues decisions and benefit payments to laid-off workers eligible for Trade Readjustment Allowances (TRA) or Alternative Trade Adjustment Assistance (ATAA). These are workers unemployed due to increased imports or a shift in production to another country.

Benefit Systems Control

The Benefit System Control Unit acts as a liaison between users of the Unemployment Insurance Agency's automated systems and the Department of Information Technology. Their function is extremely complex in that it involves three separate yet interdependent systems: Benefits, Tax, and Income and Eligibility Verification System (IEVS).

Employer Filed Claims (EFC) Unit

The Employer Filed Claims Unit ensures the processing of initial claims electronically filed for unemployed workers by their employers. EFC provides centralized support for all employer and unemployed worker participants by resolving and providing procedural and technical guidance. This unit is responsible for all phases of the employer filed claims process.

Central Benefit Control (CBC) Unit

The Central Benefit Control Unit provides production support to the Unemployment Claims (UI) filing process by reviewing and handling exception work items. These items must be processed timely as they affect UI benefit payments. The unit is responsible for work items that need employer account numbers identified for filing purposes require adjustments to current and prior benefit payment amounts, and that require the restoring of benefit week balances due to restitution decisions.

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Trust Fund, Tax and Field Audit Division

The Trust Fund, Tax and Field Audit Division is responsible for collecting taxes, administering and monitoring services to employers, investigating tax fraud, maintaining the integrity of the trust fund and identifying employer non-compliance.

Trust Fund Accounting Section (TFAS)

TFAS performs accounting and financial reporting functions for the Unemployment Insurance Trust Fund. These functions include cash management, reconciliations, data integrity analyses, and Federal and State reporting. The section is also responsible for processing post office returned checks, lost/stolen affidavits, forgery affidavits, and refund checks to employers and claimants.

Tax Office

The Tax Office administers the unemployment tax provisions of the Michigan Employment Security Act and services about 221,008 contributing and 5,229 reimbursing employer accounts. It determines an employer's tax liability, tax rate, collects current and delinquent unemployment taxes, and certifies employer wage and tax data to the Internal Revenue Service (IRS). The Tax Office also certifies job applicants who are eligible target group members to qualify employers for the WOTC Credits from the IRS.

Field Audit Section

The Field Audit Section performs audits and investigations to ensure employers comply with the MES Act. Audits are randomly selected or based on referrals. The Section also resolves issues related to covered employment or "blocked" claims that require an investigation by a Field Auditor.

Special Projects

Special Projects is responsible for procedure writing, training, quality assurance, and acts as resource persons for Tax Office, Tax Enforcement, SUTA and Independent Contractor Units.

SUTA Dumping Unit

SUTA Dumping Unit is responsible for the detection of employers engaging in SUTA Dumping (unemployment tax avoidance to dump higher rate for a lower one), educating the employer community about the law prohibiting the practice, the statutory penalties and the harm it causes and enforcement of anti-SUTA Dumping provisions of the MES Act through audits and investigations.

Independent Contractor Unit

Independent Contractor Unit is responsible for identifying employers who may be misclassifying employees as independent contractors. This unit performs audits and investigations to bring employers into compliance and ensure that employers are in compliance with the Michigan Employment Security (MES) Act and Administrative Rules.

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Tax System Support (TSS)

Tax System Support (TSS) is a liaison unit between the business areas in Trust Fund, Tax & Field Audit and the Department of Information Technology (DIT). They also develop and/or update Tax Office forms, and provide customer support for the on-line services offered to employers.

Tax Enforcement Unit

The Tax Enforcement Unit is responsible for the collection of delinquent taxes, interest & penalties through the use of collection tools such as warrants. The Unit is also responsible for investigating employers referred from Field Audit, Tax, the Office of the Attorney General and the SUTA Dumping and Independent Contractor Units for noncompliance of the Michigan Employment Security Act and the Administrative Rules.

Office of Management Services

The Office of Management Services (OMS) Division serves as the liaison with DLEG on budget, finance, purchasing, contracts and human resource issues as well as the United States Department of Labor (USDOL) regarding the Federal budget and grant funding. These functions are handled in the Central Support Unit. In addition, OMS is responsible for strategic planning, Training, Fraud, and the Integrity Unit. The unit is responsible for collection, investigating and analyzing data pertaining to all aspects of the agencies tax collection and benefit payment operations impacting all major functional areas within the organization. In addition, OMS is responsible for the Oakman Multi-Service Center which handles all of the mailing, printing, publishing and distribution for the UIA. The OMS Division also directs and implements special projects and services as liaison with other appropriate agencies to coordinate UIA activity.

Additional Agency Components (Offices)

Administrative Law and Rules Unit – This unit provides interpretations, drafts proposed legislation and administrative rules, analyzes the impact of proposed unemployment insurance legislation, and represents the Agency at Office of Hearings and Board of Review proceedings.

Attorney General – The office provides UIA with legal representation in court, prosecutes cases involving fraud, and seeks repayment of benefits.

FUND SOURCE:

U.S. Department of Labor, Unemployment Insurance Operations
Reed Act funds

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LEGAL BASIS:

Public Law 104-208 Funding Provisions for State UI Administration activities

CUSTOMER IDENTIFICATION:

- Advocates
- Attorney General staff
- Citizens of Michigan
- Communities
- Congress counterparts in the states
- Courts
- Departments within the State of Michigan
- Director Keith Cooley and DLEG
- Employer representatives
- Employers
- Federal agents
- Governor Jennifer Granholm
- Michigan Works! Agencies
- News media
- Partners with other governmental entities
- State Legislature
- UIA employees
- Unemployed workers and the underemployed and Interstate unemployed
- Union
- Universities
- United States Department of Labor (USDOL)

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CRITICAL GOALS/MAJOR OBJECTIVES

Program Goals:


GOAL 1

Technology Enhancements

Overall Goal Status: Amber

1.1 Objective: Work Distribution Center Goals

Image and Index all incoming mail the day it is received in the RIC centers, for all non peak months and within two days of receipt for peak months (July, December, and January) by March 31, 2007 assume the imaging responsibility of Form 1020 from Graphic Sciences by June 30, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Establish a new unit to handle the image and indexing, which will require hiring twenty three employees. Improve the availability of records for the agency staff by completing this function internally. Meet with UIDTC office to determine the requirements to image and index the Tax Form 1020.</p> <p>Comment:</p> <p>Because of issues with the vendor proposal, the agency was not able to take over the imaging of the Tax Form 1020. The proposal is now being moved forward and this will be a goal for next year's strategic plan. The target date for completion is March 31, 2008.</p>

1.2 Objective: Auto Coder


To provide a more accurate occupational code for unemployed workers filing claims for purposes of employment and job placement, as well as for the statistical data necessary for state economic development. Development and install software by June 30, 2007.

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<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Develop plan to introduce Auto-coder into the business process and technical infrastructure by meeting with IT staff to discuss implementation issues and system deployment alternatives. Contact USDOL ETA for delivery of the Auto- Coder software. Develop and install Auto Coder application software on the UIA Claims Entry Desktop Application by 6/30/2007.</p> <p>Comment:</p> <p>The server procurement necessary for the installation, testing, and operation of Auto Coder was significantly delayed. The server was recently received; however, DIT resources are not immediately available. The revised estimate of completion is June 2008.</p>

1.3 Objective: SNAP (System Non-monetary Adjudication Process) Phase I

Develop an automated adjudication logic decision system to improve the agency's timeliness and quality in the non-monetary determination process.

<u>Highlight Status</u>	<u>Comment:</u>
 Amber	<p>The server required for this project arrived after a significant delay. Currently, six of the nine applications in the SNAP suite of applications are in testing. Phase I of the SNAP Project is the automated decision-making of the five highest volume adjudication issues for review and approval to issue by examiners. Phase I will be piloted prior to use throughout the agency. The SNAP Phase I pilot is expected to be operational by December 31, 2007. Since this is year end close-out for various agency functions, implementation may be delayed until after January 15, 2008, as this is when system changes can again be made.</p>

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1.4 Objective: Analysis of Benefit Overpayment Recovery Pilot

Conduct one year analysis of the Benefit Overpayment Recovery Pilot results to determine success of collection activities conducted.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Review delinquent unemployed workers accounts to determine which accounts will be contacted either by mail or telephone. Establish payment agreements, conduct follow up calls.</p> <p>Comment:</p> <p>Completed February 2007.</p>

1.5 Objective: Increase Usage of EFC Program

Continue yearly recruitment of employers for participation in the EFC program, in which employers file claims for their employees electronically during mass lay-off periods.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>A special marketing plan was developed for the purpose of increasing participation in the Employer Filed Claims (EFC) program. Implementation of the plan included the opening of the program to another tier of employers (other than those specifically meeting the criteria of the Act); letters to designated employers inviting them to participate; follow-up letters to those employers who had been previously contacted; revision of EFC informational package, on-site presentation and web site to provide more and better information about the program; and, on-site visits to interested employers to provide presentations and respond to questions.</p> <p>Comment:</p> <p>Even though no employers were added for this reporting period, the EFC program marketing and recruitment for new employers continues.</p> <p>Currently, Ford Motor Co. provides UIA with data on vacation payments that will be made to unemployed</p>

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	workers during the July shutdown period each year. This data is transmitted to UIA in advance of the shutdown and is entered into individual claims records so that workers are paid proper amounts for this period. This is an overpayment prevention program. It has reduced employer protests and overpayments by 75%. Other companies, such as Chrysler, GMC, and Delphi, are now planning to develop the same program with UIA.
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1.6 Objective: Integrity Audit Case Tracking system (Phase 1)

Develop and implement an automated system with a data base that will allow the sharing of information between various agency cross match programs and integrity investigations, in order to identify fraud patterns and major integrity issues. This tracking system will also be designed to provide comprehensive integrity reports. Phase 1 – Design specification and application architecture by June 30, 2007.

<u>Highlight Status</u>	<u>Comment:</u>
 Green	Phase I was completed and became operational July 2007.


GOAL 2

System Redesign

Overall Goal Status: Amber

2.1 Objective: Unemployment Insurance Benefits System Redesign

Continue to work with the Department of Information Technology and the Department of Management and Budget on completing the RFP process.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	The System Architect and Business Assessment Analyst for the System redesign were hired and began September 2007. A Project Manager is needed and this hiring is in process. The estimated completion for the

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business and system assessment is April 1, 2008.


GOAL 3

Integrity Initiatives

Overall Goal Status: Amber

3.1 Objective: Tax Collection Pilot

Evaluate the progress made on the Tax Collection Pilot Project through the review of tax collections made from October 2005 to September 2006. A report will be completed by 12/31/2006 to identify the most productive collection methods and future strategies that will allow for continued improvement in collecting outstanding tax debts. Implementation of the improved collection methods will be completed on March 31, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Identify the most productive collection methods that will allow for continued improvement in collecting outstanding debt – telephone calls to employers, requesting initial payments prior to finalizing payment plans, special visits by employers and the mailing of Demand Letters have been identified as the most effective means to improve collections – completed December 31, 2006.</p> <p>Continued usage of the most effective means to collect taxes, coupled with the referral of accounts (above \$10,000.00) to the Enforcement Unit (personal contacts) surely will contribute to the Collection Unit's productivity.</p> <p>The complete relocation of the collectors for manageability is on hold until the change in the work distribution process is completed and implemented which is projected to be in March 2008.</p> <p>Comment: Currently, the collections staff is concentrating on collecting delinquent debts. While an automated tracking system is under future development, a manual excel spreadsheet is currently maintained by the Collections Unit supervisor to document the collection actions taken on delinquent accounts.</p>

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3.2. Objective: New Hire Crossmatch Program

Strengthen benefit integrity initiatives to prevent/detect fraud and reduce overpayments by developing and implementing the National Directory of New Hires Crossmatch Program. This automated program will allow the agency to conduct weekly crossmatch of unemployment payments to national new hire information, thereby indicating when an unemployed worker has returned to work in Michigan as well as another state and has failed to report a back to work date and earnings.

<u>Highlight Status</u>	Comment:
 Green	The National Directory of New Hires (NDNH) crossmatch became operational on July 30, 2007.

3.3 Objective: Automated Department of Motor Vehicles (DMV) Crossmatch Program

As part of an identify theft prevention program, develop and implement an automated process for crossmatching driver's license data supplied by unemployed workers during claims filing to state driver's license records.

<u>Highlight status</u>	Comment:
 Amber	The Secretary of State technology issue was resolved. The agency is receiving test data and reviewing results. Crossmatch implementation is now scheduled for December 31, 2007. Since this is year end close-out for various agency functions, implementation may be delayed until after January 15, 2008, as this is when system changes can again be made.

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GOAL 4

Expanded Training

Overall Goal Status: Green

4.1 Objective: Diversity Training

Provide diversity training for all agency employees utilizing a dialogue format with the purpose of allowing feedback, identifying and listing issues as well as areas of improvement.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Develop diversity training for all agency employees utilizing a dialogue format with the purpose of allowing feedback, identifying and listing issues as well as areas of improvement. Fiscal year training will be completed by 12/21/2007.</p> <p>Comment:</p> <p>During this period, a Diversity Training module for all agency employees was created by UIA Center for Learning and Development team. Module incorporates dialogue format, communication exercises, methods to identify issues and areas for growth and development.</p>

4.2 Objective: Leadershift Training


Leadershift training to enhance the knowledge, competencies and skills for the management staff in UIA. Group 1 of the lead workers' training began 2/14/2006 and was completed in April 2006. The second phase of the leadershift training began 3/10/2006 to be completed by 10/20/2006.

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<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>A plan was developed, which included a schedule for the nine days of LeaderShift training, for Group 5 participants. Participants were identified with input from UIA management team. Executives and other presenters were contacted for availability, rooms were reserved and materials were developed and copied.</p> <p>Comment: The second phase was completed. Two additional groups were held and completed in March 2007. Additional sessions were suspended. During this period, in lieu of these sessions, members of management have been referred to no-cost Civil Service manager training courses, Webinars and e-learning sources. Skill builder sessions have been developed by Center for Learning and Development staff in response to specific leadership requests.</p>

4.3 Objective: MI-360 performance Feedback Survey Process

Provide MI-360 Feedback Sessions following the roll-out of the MI-360 survey. Feedback sessions will begin in May 2007 or eight weeks following the survey roll-out and will be completed by 9/30/2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Provide MI-360 Feedback Sessions following the roll-out of the MI-360 survey. Feedback sessions will begin in May 2007 or eight weeks following the survey roll-out and will be completed by 9/30/2007.</p> <p>Comment: Five (5) MI-360 Feedback sessions for new DLEG leaders were held during this period. Twenty-four (24) MI-360 Feedback: "A Second Look" sessions were held during this period for returning DLEG leaders.</p>

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GOAL 5

Communications


Overall Goal Status: Amber

5.1 Objective: Publish updated UIA Claimant Handbook

Create a focus group of unemployed workers to review and make suggestions on a draft handbook in order to make the document more user friendly. Expected date of draft is January 15, 2007. Final copy ready for distribution on April 1, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Suggestions were gathered for changes to the Claimant Handbook with the goal of making it more user friendly. These were distributed by handbook section to various parties for draft revisions.</p> <p>Comment:</p> <p>Due to other critical priorities, the original expected date of completion was not met. However, a first draft was completed September 2007. A final copy is expected to be submitted for review by November 1, 2007, with approval and distribution by March 31, 2008.</p>

5.2 Objective: Operating procedures for Field Audit, TFAS, SUTA/Independent Contractor, Enforcement and Tax. Complete fifty percent of the Tax Office Manual procedures by 12/30/06 and fifty percent by 12/31/07. All staff will receive updated procedures and. Operating Procedures will be posted to the intranet when completed.

<u>Highlight Status</u>	<u>Strategy</u>
 Amber	<p>Review and update fifty percent of the Tax Office manual procedures by December, 2006, complete the remaining manuals by December, 2007.</p> <p>Finalized updated manual procedures and post on the intranet operating procedures by December, 2007.</p> <p>New functionality added to this unit is Quality Assurance. This entails a detailed review of multiple accounts and processes affecting those accounts.</p>

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	<p>Currently, Tax Office procedures are on target to be met by 12/31/07. Procedures for Collections and SUTA Independent Contractor are to be completed by 2nd quarter of FY 2008. Completion of procedures of Field Audit, TFAS and Enforcement will not be until late in FY 2008.</p> <p>Comment:</p> <p>Field Audit has completed 48% of procedures with an expected completion date 9/30/2008.</p> <p>Trust Fund Accounting has completed 52% of procedures with expected completion date of 3/31/08.</p> <p>The Tax Enforcement Unit will have 20% of the draft procedures completed by 03/31/2008.</p> <p>Independent Contractor procedures- completed April 2007.</p> <p>Tax Office procedures are on target to be met by 12/31/07.</p>
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5.3 Objective: Internal Communication Channel Improvements

Continued implementation with the internal communication committee regarding evaluating the committee's recommendations made in August 2005 for new internal communication pathways. Schedule semi-annual meetings (February and September) for the RICC improvements and internal communications.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Schedule semi-annual meeting (February and September) for the RICC improvements and internal communications.</p> <p>Comments:</p> <p>An internal communication committee meeting was not held during the designated time period; however, other improvements continue to be made. Improvements and revisions will be made to the agency's newsletter, The BUZZ. The agency continues to have training classes on communication (two classes in March and two classes in April.) Staff meetings continue to be held on a regular basis throughout the agency.</p>

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GOAL 6

Customer Focus

Overall Goal Status: Amber

6.1 Objective: Promote UIA's Internet Functionality for Employers

Develop and execute an outreach plan to promote UIA's new and improved Internet functionality for employers using the Speakers Bureau, which involves identifying and training staff, develop packages and presentation material, and Speakers Bureau on the Internet. Expected completion date is 6/30/2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Develop and execute an outreach plan to promote UIA's new and improved Internet functionality for employers using the Speakers' Bureau, to be completed by June 30, 2007.</p> <p>Comments:</p> <p>A marketing plan has been developed to promote the 1017-focused EWAM along with a draft Employer Advisor article and a draft letter to recent PIN-filing employers. The employer's Speakers' Bureau package was revised in order for participants to deliver the updated presentation to the employers identified through the marketing plan.</p>

6.2 Objective: Expand On-Line Services Offered to Employers

Expand on-line services offered to employers to improve customer service and provide more self-help options. Expanded services will include on-line payment and reporting history, e-registration application, management/statistical reporting for web applications, quarterly tax (payroll) report file submission process, staff functions using web applications to provide assistance to employers, and amended tax (payroll) report process. Expected completion by 9/30/07.


<u>Highlight Status</u>	<u>Strategy</u>
	<ul style="list-style-type: none">➤ Viewing of an on-line report and payment history for the employer was added in November, 2006.➤ eRegistration was updated in February 2007 to include the changes made to Schedule B as a result the

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 Amber	<p>SUTA dumping legislation from Section 22b of the MES Act.</p> <ul style="list-style-type: none">➤ Management/statistical reporting were expanded for the web applications in March 2007. The enhancements included reporting on Powers of Attorney submitted, employers who have selected the 1020/1020R Final Report indicator, address changes submitted, and a dollar total for payments received.➤ The quarterly tax (payroll) report file submission process has not been implemented due to the delay in obtaining the needed hardware. This is now expected to be implemented in fiscal year 2008.➤ The implementation of expanded staff functions for the web applications has been delayed to fiscal year 2008 due to the delay in obtaining the needed hardware.➤ The amended tax (payroll) report process has been delayed to fiscal year 2008 due to a change in priorities. The on-line discontinuance form (1772) was moved up in priority and is currently under development. This is expected to be implemented by September 2007.➤ An enhanced version of the view benefit charge statement application is being developed to allow successor employers the ability to view their predecessors' benefit charge statements. This is expected to be implemented by September 2007. <p>Comment:</p> <p>The quarterly tax (payroll) report file submission process was implemented in FY 2008 (November 2007).</p> <p>The implementation of expanded staff functions for the web applications has been implemented in a pilot stage in the Tax Office as of July 2007. This was rolled out to all tax Office staff as of September 2007 and was possible with the current hardware in place.</p> <p>The on-line discontinuance form (1772) was moved up in priority due to DIT resource availability and is expected to be implemented by 2nd quarter of fiscal year 2008. The amended tax (payroll) report process has also been developed and is expected to be implemented by 2nd quarter of fiscal year 2008.</p> <p>The enhanced version of the view benefit charge statement application was implemented in July 2007.</p>
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6.3 Objective: Employee Recognition

Creating an effective employee motivation program or recognition program. Expected completion by March 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>To establish guidelines and defining what is important to our agency right now and in the immediate future and how employees can be motivated to help with reaching specific milestones. Also, establish an effective employee recognition program that would inform employees exactly how they will be rewarded when their role(s) have helped the agency reach a goal.</p> <p>Comment:</p> <p>Employees are recognized for their accomplishments in the agency newsletter, The BUZZ, and the DLEG newsletter LEGWorks. The RICCs also have a newsletter where RICC employees are recognized for their accomplishments. Employees are also recognized during regular staff meetings.</p>

6.4 Objective: Media Campaign

Establish the media strategy for a campaign to promote UIA's internet functionality for employers. Define strategic direction and the scope of the campaign including objectives/goals, media, creative/measurement strategies, and schedule parameters. Expected completion date is June 30, 2007.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<ul style="list-style-type: none">➤ Scope and participants have been determined. Monthly meetings with the participants to plan the campaign began in March 2007.➤ Marketing steps that have already been implemented – completed 03/31/2007.<ul style="list-style-type: none">• Email sent to existing web application users notifying them of the added functions.• Training of front-line staff about the web applications so that employers can be steered to the web applications.• Multiple Employer Advisor (UIA newsletter mailed to employers) articles on the enhanced on-line services.

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	<ul style="list-style-type: none">• Insert mailed to employers with quarterly tax (payroll) reports highlighting the new services.• Updates to the UIA website to highlight the new on-line functions.• Updates to UIA forms to notify the employer they can be filed through the web applications.• Taping of a Job Show segment was shown on local cable stations about the web applications in July 2007.• Additional marketing strategies identified and a plan for implementing them established by May 2007.• Roll out of media campaign by June 2007. <p>Comment:</p> <p>Due to the state's current budget situation, the marketing plan for fiscal year 2007 focused were on the no-cost initiatives. Presentations showing web services conducted at two Michigan CPA association meetings which were completed August 2007.</p>
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GOAL 7

Workload Management

Overall Goal Status: Green

7.1 Objective: Adjudication Workload Management

Evaluate the Accepted Level of Performance (ALP) process, internal time and quarterly standards and process: Establish measurable goals to improve the adjudication process for a three-year period by 9/30/2007. Improve the Agency's score of the Federal Acceptable Level of Performance (ALP) for Non-Monetary Timeliness 60% starting in September of 2007. Validate the accuracy of the timeliness report and same day issues by 12/31/07.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Hire and train additional staff by 12/31/06, and train and improve the adjudication skill of all 10 level examiners. Exceed the Federal ALP for Non-Monetary Quality by 1% by 3/31/2007. Send only experienced staff to BTQ scoring by 11/1/2006. Complete refresher training on most common BTQ errors by 12/21/2006.</p> <p>Comment:</p>

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	The agency has developed a three year plan to achieve the Federal ALP for Non-Monetary timeliness. During the last two months the agency has made tremendous progress toward meeting the Federal ALP. Compared to last year, July and August timeliness numbers increased over 52%. This goal will continue in next year's plan.
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7.2 Objective: Tax Workload Management

Change the current work distribution process in the Automated Work Distribution System (AWDS) to improve the control of incoming work and comparatively distribute work to available positions.

<u>Highlight Status</u>	<u>Strategy</u>
 Green	<p>Upgrade work distribution process by 11/30/2007. Complete staff training by 12/15/2007. Enhance telephone system by December 2007. Complete Automated Call Distribution (ACD) by 12/15/2007. Establish Quality Control Sub-Unit by 12/31/07.</p> <p>Project expected completion date is June 30, 2008.</p> <p>Comment:</p> <ul style="list-style-type: none">➤ Requirements gathering meeting held with 90% of business areas within TFTFA – 3/31/07. The remaining 10% to be completed by 4/30/07. Work processes developed as a result of those meetings charted and distributed to business areas for approval. Business area sign-off for documented requirements was received on 9/18/2007. Development and testing of new work distribution system to be completed by May 2008. New work distribution system to be implemented by June 2008.➤ Training of all TFTFA staff on the use of the revised work flow system to be completed by May 15, 2008.➤ Training of TFTFA management on use of the reporting features of the system to be completed by May 15, 2008.➤ Enhanced ACD system – changes to this system are dependent upon the projected implementation date of the enhanced AWDS.

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	<p>➤ Establish Quality Control Sub-Unit is on hold due to the Executive Directive 2007-13.</p> <p>Implementation was planned to occur after the 1st quarter 2008 and before the 2nd quarter 2008 to ensure that the money for 1st quarter is processed and deposited into the Trust Fund to meet the agency's obligations since this is the biggest revenue quarter.</p>
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PROCESSES AND SERVICES

Processes and services are developed based on the following:

- The state unemployment rate
- Priorities and timeframes established by and/or originated from Governor Granholm, Director Keith Cooley, Deputy Director Sharon Bommarito, U.S. Congress, USDOL, and the State Legislature.
- Collaboration with other states and implementation of federal mandates
- Gathered and analyzed customer feedback based on the ease and ability to use the technology.
- Laws, rules, regulations, procedure manual, reports, claimant and employee feedback
- Employer and Claimant Customer Relations hotlines
- UIA staff requests
- The Advocacy Program
- Claimant and employer Surveys
- Customer phone contacts
- Customer written communications
- Comment cards

PROGRAM EFFECTIVENESS (Current Year)

Program Goals/Metrics

See attached charts

Performance Measures

Timeliness, Accuracy, and Customer Satisfaction as applied to:
Federal Reports

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Answered Customer Calls
Acceptable Level of Performance
Tax Collections
Benefit Payments

PROGRAM IMPROVEMENTS MADE IN FY 2007

- **Misclassification of Employees** – The misclassification of employees is a problem that impacts employers, workers and government. UIA is taking action to correct the problem in Michigan through the Misclassification of Wages Initiative. UIA began a 22-county pilot in 2005 partnering with the Internal Revenue Service (IRS) to using IRS data. The successful pilot was expanded statewide in 2006. UIA is partnering with the Workers' Compensation Agency and the Wage & Hour Division in taking an aggressive stance with employers who are using 1099s inappropriately. UIA is now looking to expand its misclassification project to other state of Michigan departments.
- **Questionable Employment Tax Practice (QETP) initiative** – Michigan was the first state to sign the memorandum of understanding (MOU) with the IRS. The MOU is part of the joint federal-state QETP initiative, which provides for the sharing of tax and audit information between UIA and IRS. The agreement will help improve compliance with state and federal regulations governing employment and unemployment tax and will reduce fraudulent filing and the misclassification of workers as independent contractors. UIA now meets quarterly with regional IRS staff to determine if there are cases in common, how to better communicate and to share appropriate information and updates.
- **State Unemployment Tax Act (SUTA) Dumping** – UIA's SUTA Unit helps to protect the integrity of Michigan's UI Trust Fund. The unit is working to settle SUTA cases and to expedite the process with employers. From January to November 2007, UIA obtained 24 SUTA settlements with employers. The agency continues its education outreach with the employer community on the need to report business transfers in whole or in part. The agency has worked with Labor Market Information to expand and enhance review of data to identify additional patterns that may indicate SUTA dumping.
- **Debit Card** – In 2007, UIA started the Debit Card/EFT process and will implement the systems in the 2nd quarter of 2008. The systems will better serve unemployed workers who are receiving unemployment benefits. Once implemented, debit cards and electronic fund transfers (EFT) will be the new methods by which unemployed workers receive their benefits. The new methods will save UIA postage costs and will greatly reduce the issue of lost and stolen benefit checks. The agency has accepted bids from vendors to implement the process and has received approval for a supplemental budget request from the U.S. Department of Labor to begin implementation.
- **Work Opportunity Tax Credit (WOTC) Program** – UIA implemented changes to the federal WOTC program, which was renewed through August 2011. WOTC gives employers federal tax credits for hiring certain categories of workers who typically have difficulties in finding employment. The Small Business and Work Opportunity Tax Act of 2007 reauthorized and expanded the program to cover more workers.

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- **Employer Web Account Management (EWAM)** – UIA added new functions to EWAM, the on-line service to employers. EWAM gives employers 24/7 online access to their UI tax accounts and various UI tax functions. The newly added functions are: electronic file-submit process for tax Forms UIA 1020 and UIA 1020R; a discontinuance of business form; employer protests of tax determinations; an amended tax report process; and a bulk payment-submit process to work with the file-submit process. In addition, UIA staff now has access through the Internet to review and use the same information that employers can access.
- **Automated Work Distribution System (AWDS) Redesign and Upgrade** – The redesign significantly simplifies the way work is electronically distributed to staff with better monitoring and reporting. Staff electronically extracts work from these queues for completion. These changes have allowed UIA to reduce paperwork and speed service to unemployed workers. The redesign of the Tax AWDS is scheduled for 2008.
- **System Rewrite** - The System Integration Project will upgrade and integrate UIA's Benefits, Adjudication and Tax systems into one cohesive system; improvements to automating deductions from UI benefits for Friend of the Court payments has eliminated the need for staff involvement and increased automated payments to more than 80 percent, making for speedier payments to custodial parents; and improvements to the multi-claimant determination look-up allows staff to find and review information from data bases and to more quickly respond to claimant questions.

PROGRAM IMPROVEMENT PLANS FOR FY 2008

Goal 1: Technology Enhancements

1.1 Work Distribution Center Goals

Objective: Create a new workflow in iCapture based on Employer Number. This would allow the Work Distribution Center to index by employer number in addition to social security number. Tax documents use employer number. Estimated completion date is February 2008.

1.2 Auto Coder

Objective: To provide a more accurate occupational code for unemployed workers filing claims for purposes of e-employment and job placement, as well as for the statistical data necessary for state economic development. The development and installation of software are estimated to be completed by June 30, 2008.

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1.3 SNAP (System Nonmonetary Adjudication Process) Phase 2

Objective: Issuance of automated non-monetary determinations on designated adjudication issues without staff intervention, following fact-finding responses from both parties via the UIA website. Phase 2 will continue throughout FY 2008.

1.4 NICE (Neptune Intelligent Computer Engineering) Revision

Objective: The NICE software is a quality system that records telephone calls and associated staff system interactions. Managers are able to review calls, using the quality standards document and then coach staff on ways to improve quality and customer service. UIA is working on a revision of the quality standards document that will allow for better coaching and feedback to staff. The target for the new quality standards document is February 2008.

1.5 CAMS (Case Audit Management System Phase II & Phase III)

Objective: Develop and implement an automated system with a data base that will allow the sharing of information between various agency cross match programs and integrity investigations, in order to identify fraud patterns and major integrity issues. This tracking system will also be designed to provide comprehensive integrity reports. In FY 2008, the goal is to implement the next two phases of CAMS. Phase II will enhance the Benefit Fraud Investigation's current individual case tracking system. In Phase III, the Integrity Initiatives group will use CAMS to generate reports to review UIA information for specific integrity areas of interest, such as multiple claims with the same/nearly the same addresses or same telephone numbers used to file multiple claims.

1.6 Tape Drive Elimination

Objective: Elimination of tape drives and substitution of another method for transmitting and receiving employer, vendor, and federal/state agency data as a cost savings and to update the technology used. Estimated completion date is before the end of January 2008.

1.7 WOTC System Upgrades

Objective: WOTC gives employers federal tax credits for hiring certain workers who typically have difficulties in finding employment. The unit is to be updated from paper intensive processes to automated processes by 09/30/2008.

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1.8 Employer Database Cleanup – 2-year project

Objective: Identify inaccurate information on database and manually review to determine errors and correct. Submit service requests to prevent any further bad data from being entered. To be completed by 09/30/2009.

Goal 2: System Redesign

2.1 Project Manager for System Rewrite

Objective: The agency's System Integration project will continue throughout FY 2008. The project goal is to upgrade as well as integrate the Benefits, Adjudication, and Tax systems into one cohesive system. This involves the integration of all current systems throughout the entire unemployment insurance program.

A project business team completed the review of business process descriptions and documented workflows. UIA is now in the process of securing a project manager, system architect, and business architect. The System Rewrite Team will eventually be a combination of vendor and state employees. The team will complete a business model analysis, review and recommend options for a solution, and begin implementing planning. In Phase I, this project team will prepare a system and business function requirements proposal. In Phase 2, the team will conduct scheduling and control scope and technical tasks.

Goal 3: Integrity Initiatives

3.1 Collection

Objective: Increase the number of legal referrals per collector per month to the Attorney General's Office to take judgment against new delinquent employers effective 1/1/2008. Develop a collaborative effort between the Collections Unit and Tax Enforcement Unit.

3.2 SUTA Dumping

Objective: Refine the LMI referral process to obtain referrals of possible SUTA dumping by 09/30/2008.

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3.3 Independent Contractor, 1099

Objective: Implement a 1099 management reporting system, increase percentage of misclassified wages audits to 50% of all field audits conducted, conduct audit reviews and estimate misclassification rates by broad industry, develop a methodology for targeting firms for audit selection, automate the 1482 'Request for Field Audit' distribution & assignment within the AWDS system, annually review & investigate IRS data of employers issuing 1099s and not register with UIA and aggressively monitor IRS data provided to the agency by 9/30/2008.

3.4 Department of Corrections (DOC) Crossmatch

Objective: Two automated crossmatch programs: 1) Crossmatch records of inmates incarcerated in the Michigan Department of Corrections with unemployment benefit payment records to detect inmates fraudulently collecting unemployment benefits; 2) The other is a re-employment data collection program that identifies for the Youth Offender Program those participants who have returned to work by crossmatching participants with UIA wage record data. This identifies youth offenders who have become employed. Completion date on this goal depends on resources from the other agency, but estimated completion date is by June 2008.

3.5 Automated Department of Motor Vehicles (DMV) Crossmatch Program

Objective: As part of an identity theft prevention program, develop and implement an automated process for cross matching driver's license data supplied by unemployed workers during claims filing to Secretary of State as a method to prevent identity theft.

Implementation is scheduled for December 31, 2007. Since this is year-end close out for various agency functions, implementation may be delayed until after January 15, 2008, as this is when system changes can again be made.

Goal 4: Expanded Training

4.1 Tax Training

Objective: Complete training materials for all modules in conjunction with the Center for Learning & Development by 9/30/2008. Ensure that all staff has been trained and provide refresher training on an as-needed basis and when feasible, make available operating procedures on the Intranet for staff use for staff use by 9/30/2008. Refresher training for Tax Liability Examiners has begun and will be completed by 12-31-2007. Training material for the Tax Office and for the SUTA/IC Unit should be completed by 6/30/08. Tax

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Collections training material should also be completed by 6/30/08. Training material for Field Audit, TFAS, Enforcement and Tax is anticipated that this will be completed in FY2008.

Goal 5: Communications

5.1 Publish updated UIA Claimant Handbook

Objective: Create a focus group to review and make suggestions on a draft handbook in order to make the document more user friendly. A final copy is expected to be submitted for review by November 1, 2007, with approval and distribution by March 31, 2008.

5.2 Operating procedures for Field Audit, TFAS, SUTA/Independent Contractor, Enforcement and Tax Collection

Objective: Procedures for Collections and SUTA Independent Contractor are to be completed by 2nd quarter of FY 2008. Completion of procedures for Field Audit, TFAS and Enforcement will not be completed until late in FY2008. Field Audit procedures have an expected completion date 9/30/2008. Tax Office Manual procedures are on target to be met by 12/31/07. Trust Fund Accounting procedures has an expected completion date of 3/31/08. Tax Enforcement Unit procedures will be developed during the next year. Procedure format for these checklists will be ready for management review by 2/15/08, with final procedures to the management 3/15/08. Independent Contractor procedures- completed April 2007.

5.3 Internal Communication Channel Improvements

Objective: Schedule semi-annual meetings (February and September) for the external and internal communications improvements for the agency.

Goal 6: Customer Focus

6.1 Conduct Employer Benefit Survey

Objective: To measure employer perceptions of Agency performance and delivery of services to employer and unemployed worker customers, conduct a survey with a sample of 10,000 employers and compare the results with the last employer survey. Estimated completion date is June 2008.

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6.2. TAA Study

Objective: Michigan is participating in a US Department of Labor study on the effectiveness of the TAA/TRA Program – training programs, income support, trends, etc. In Michigan, this study involves UIA, the Bureau of Workforce Programs and the Michigan Works! Agencies. Completion date is by the end of November 2007 and data base sweeps by the end of January 2008. UIA portion of the study will be completed following data base sweeps unless USDOL requests additional information.

6.3 Promoting Diversity in the Workplace

Objective: To have a more cohesive and receptive workplace, where acceptance is part of normal team functions, UIA is offering diversity training for all staff and managers to be completed in 2008.

6.4 MI 360 Leadership Development

Objective: Continue collaboration role with DLEG's Human Resources Department relating to the development and implementation of the MI-360 Leadership Development sessions. Sessions shall be completed by September 30, 2008.

Goal 7: Workload Management

7.1 Adjudication Timeliness

Objective: By June 2008, 80% of the open adjudication cases should be less than or equal to two weeks, or meet the Acceptable Level of Performance (80%) for the month.

7.2 Postal Soft

Objective: An automated program that checks addresses provided by unemployed workers when filing by Internet and through staff assisted claims. The program ensures that those addresses conform to postal regulations for correctness and validity. The program will only allow mail to be sent to valid addresses resulting to a reduction of returned mail and the resources and costs associated with reviewing and resending those mails. Estimated completion date is June 2008.

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CHALLENGES FOR FY08 and BEYOND:

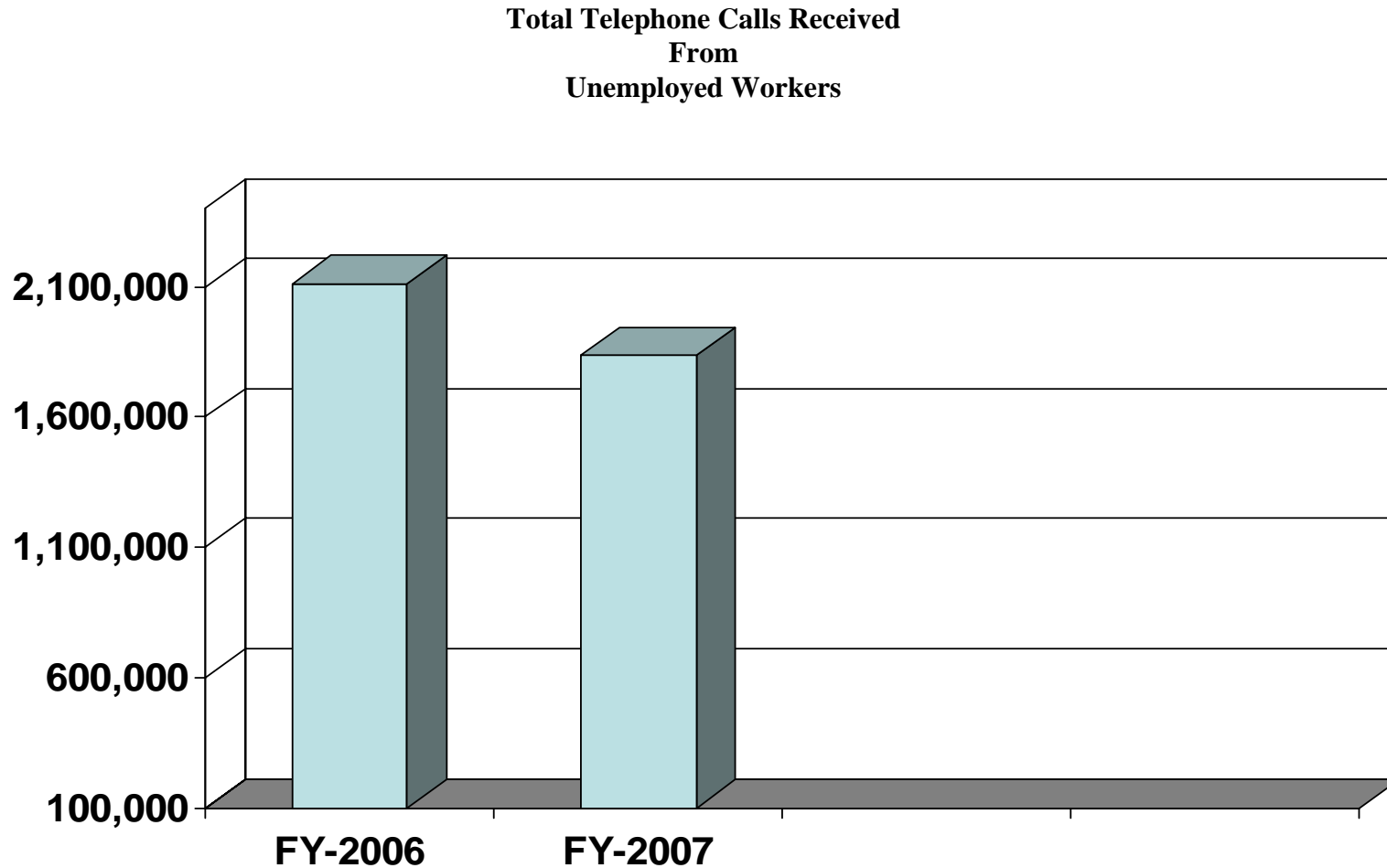
- Staff Resources – Current budget issues do not allow for full staff replacement. The challenge is to maintain service levels and timeliness with the current resources.
- Postage Reduction – The agency's federal postage funding mechanism changed and includes a \$2.2 million reduction. It was significantly reduced for FY2008 requiring major planning for changes that will reduce the need for postage usage. Implementation of postage reduction plans to align costs with funding is currently occurring. These plans involve service, process, and system changes without interruption in service to UIA's customers, unemployed workers and employers.
- Debit Card/EFT Project – The initiation and implementation of a conversion from "paper benefit checks" issued to unemployed workers to the use of "debit cards and EFT" for payment of unemployment benefits will be a challenge due to its complexity, customer impact and the aggressive schedule. This project also has a significant impact on the agency's postage reduction goals.
- Systems Rewrite – The agency has begun the process to rewrite the benefit, adjudication and tax systems. The challenge will be to continue the rewrite project, acquiring necessary resources and staying on schedule with available funding. The current systems face critical risks due to its age within the next year due to support and service delivery issues.

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Comments:

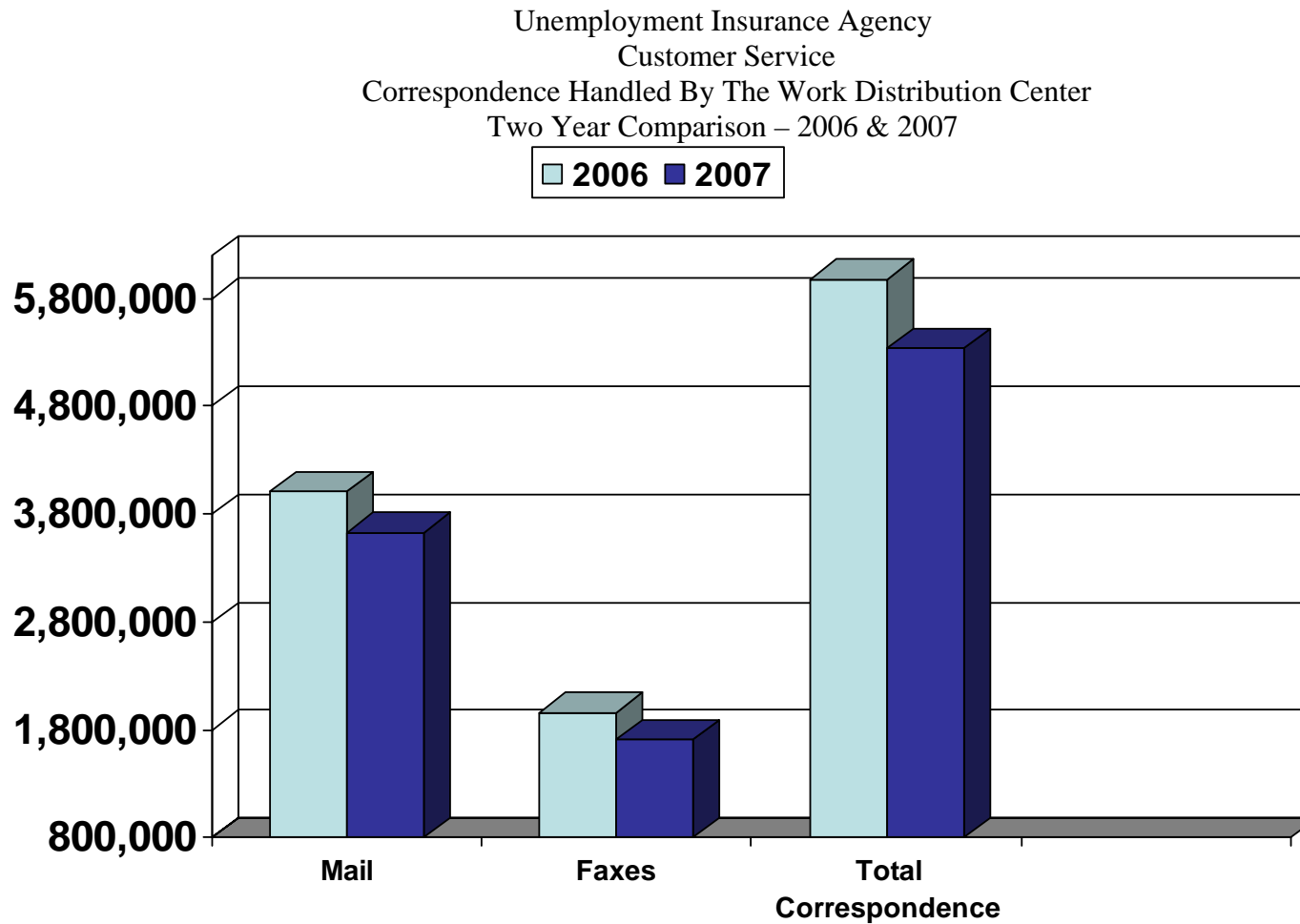
Ninety three percent (93%) of total telephone calls were answered, with the exception during the three peak weeks.

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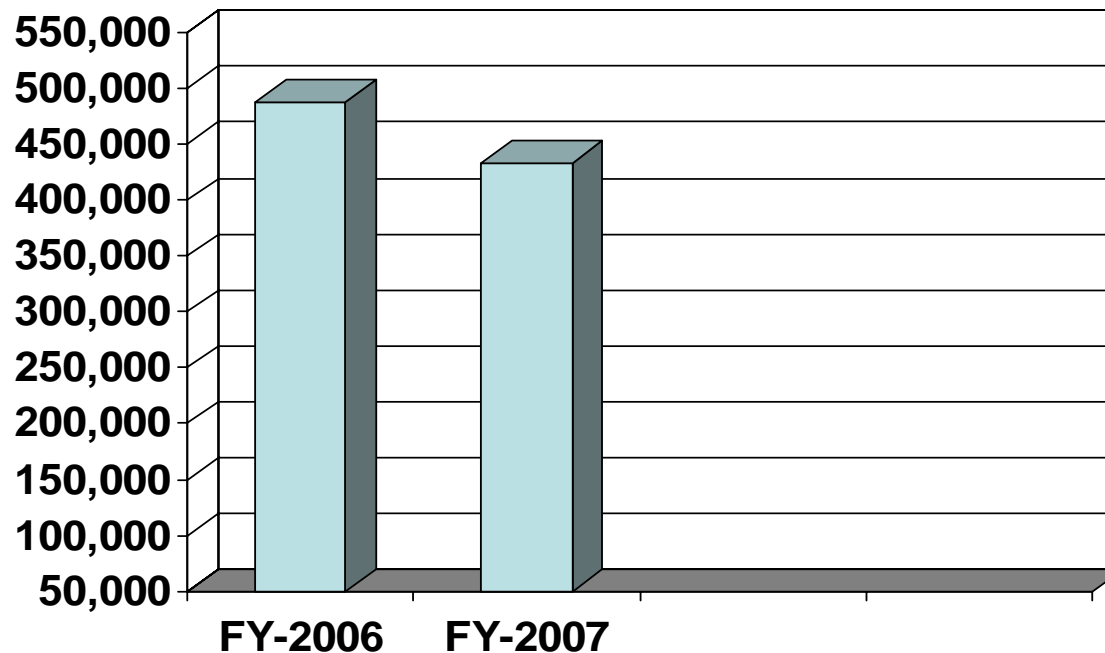
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Unemployment Insurance Agency
Customer Service
Adjudication Cases Closed
Two-Year Comparison 2006 & 2007



Comments:

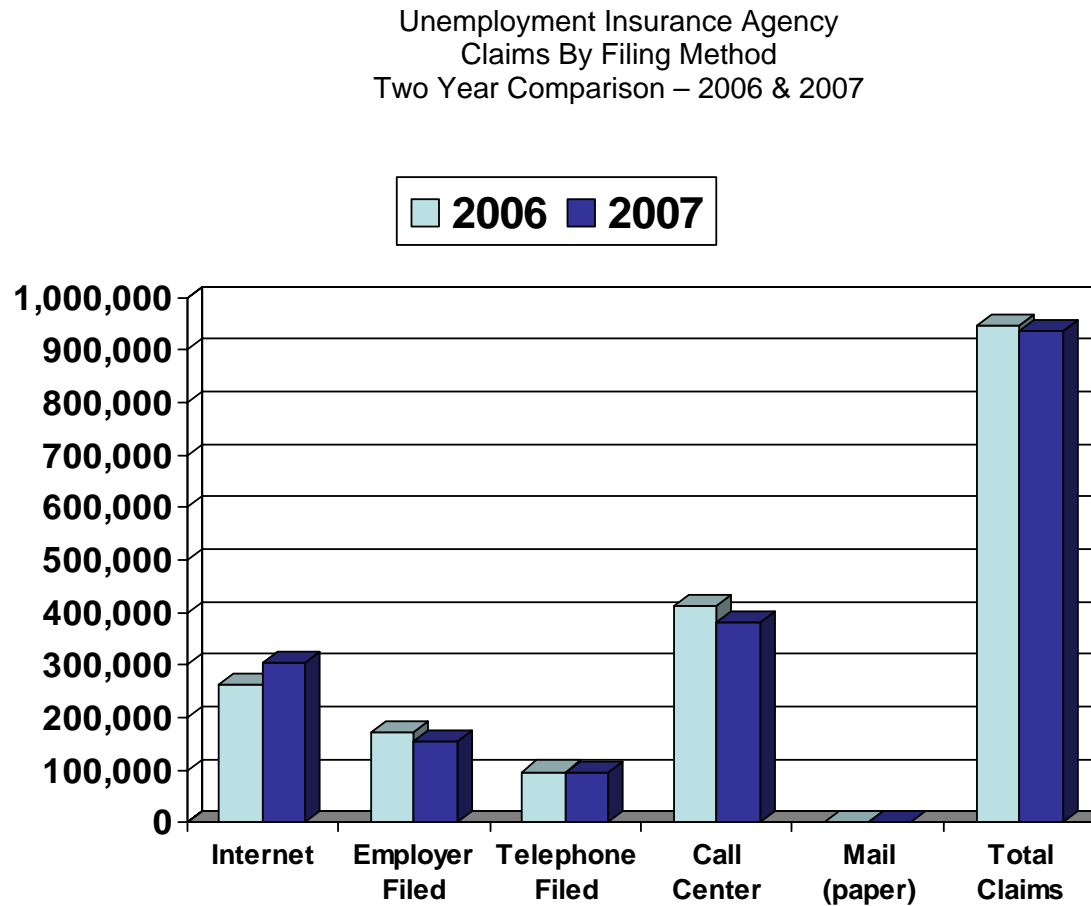
The determination of an unemployed workers eligibility for unemployment insurance (UI) benefits is a critical UI program function. When issues arise that may affect an unemployed workers past, present or future benefits, the agency is responsible for determining the unemployed worker's eligibility for those benefits. Such determinations may also affect an employer's liability for benefit charges, depending on the type of issue adjudicated. The agency's work impacts the rights of both the unemployed worker and employers. Through the non-monetary determination process, all necessary facts concerning an issue must be gathered from unemployed workers and employers, or a reasonable attempt must be made to obtain such facts and a determination is rendered to ensure that payments are made when due.

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* Call Center- Claims filed by telephone required an agent's support to complete.

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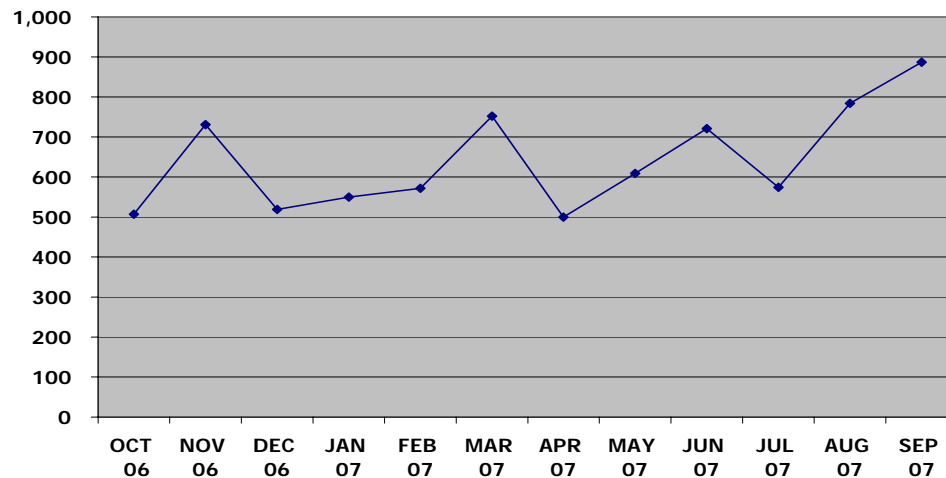
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Trade Readjustment Allowance (TRA) Activity Fiscal Year 2007

TRA INITIAL CLAIMS, FY 2007



Total Initial Claims FY 2007, 7,706											
Oct 06	Nov 06	Dec 06	Jan 07	Feb 07	Mar 07	Apr 07	May 07	Jun 07	Jul 07	Aug 07	Sep 07
507	731	519	550	572	752	500	609	721	574	784	887

Source: Experienced UI Workload Report. Data Provided by the UI Administrative Analysis and Federal Reports Unit.

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TRA BENEFITS PAYMENTS						
FY 2006				FY 2007		
QUARTER	TOTAL WEEKS PAID	TOTAL QUARTERLY PAYMENTS		QUARTER	TOTAL WEEKS PAID	TOTAL QUARTERLY PAYMENTS
QTR 1	24,201	\$7,801,110		QTR 1	56,069	\$18,177,722
QTR 2	28,427	\$9,206,195		QTR 2	55,736	\$18,240,212
QTR 3	31,715	\$10,279,049		QTR 3	54,048	\$17,797,281
QTR 4	40,331	\$12,999,120		QTR 4	52,168	\$17,186,341
FY 2006 TOTAL	124,494	\$40,285,474		FY 2007 TOTAL	218,021	\$71,401,556

Source: The ETA 563 Report. Data Provided by the UI Administrative Analysis and Federal Reporting Unit.

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Tax Office

WORK OPPORTUNITY & WELFARE-TO-WORK TAX CREDIT PROGRAM TOTAL APPLICATIONS PROCESSED FOR FY06

Qtrs	Apps Approved	Apps Denied	Incomplete Apps	Total apps by quarter	Total apps 1st & 2nd Half FY
4/05	2596	3869	176	6641	15,934
1/06	4238	4855	200	9293	
2/06	4562	5667	106	10335	20,259
3/06	4446	5180	298	9924	
Total	15842	19,571	780	36,193	

WORK OPPORTUNITY & WELFARE-TO-WORK TAX CREDIT PROGRAM TOTAL APPLICATIONS PROCESSED FOR FY07

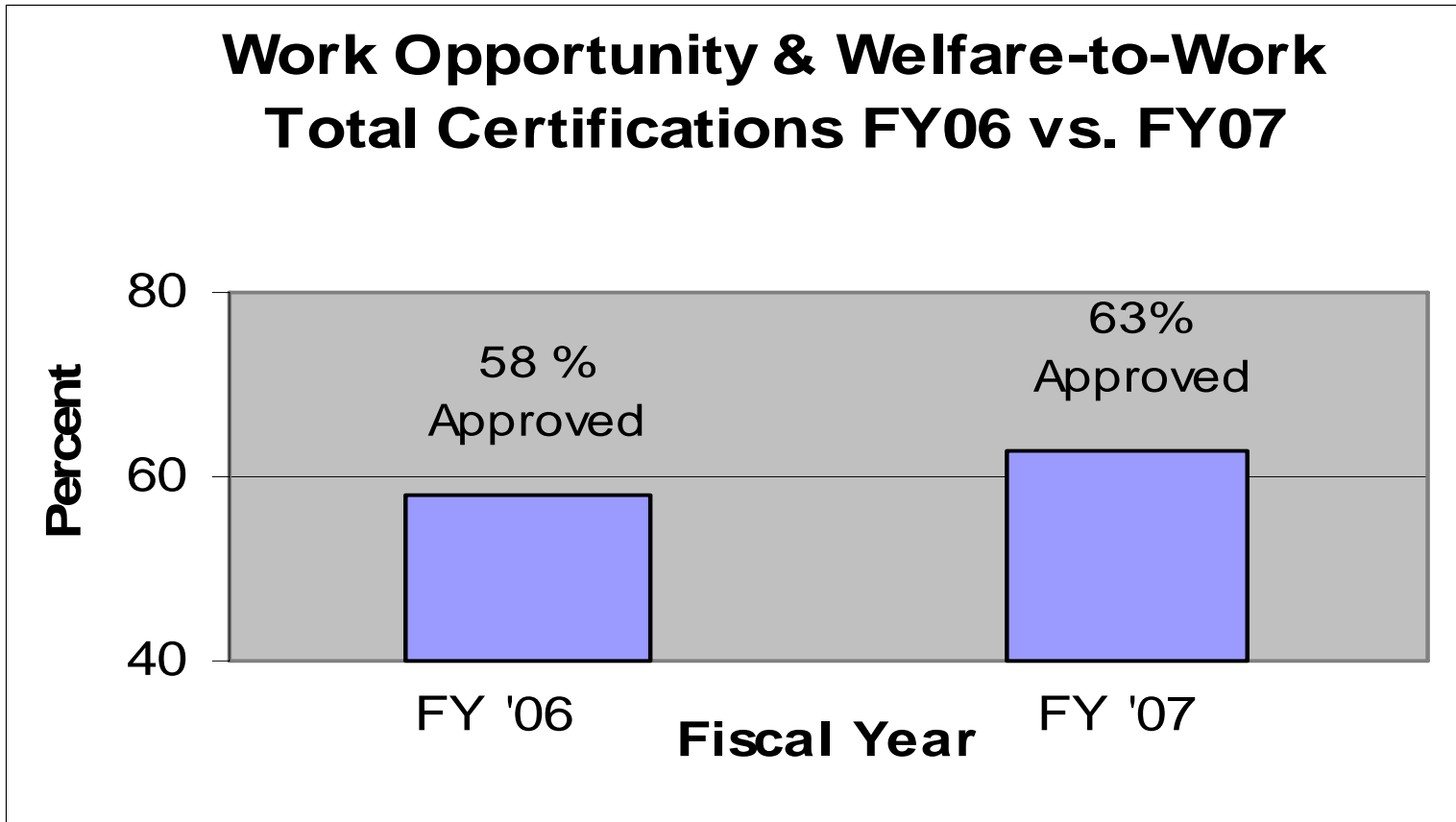
Qtrs	Apps Approved	Apps Denied	Incomplete Apps	Total apps by quarter	Total apps 1st & 2nd Half FY
4/06	4530	6923	172	11625	23158
1/07	4696	6655	182	11533	
2/07	4660	7183	135	11978	22012
3/07	4276	5187	571	10034	
Total	18,162	25,948	1,060	45,170	

FY 2007 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

PROGRAM: UNEMPLOYMENT INSURANCE



FY 2007 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: UNEMPLOYMENT INSURANCE AGENCY

PROGRAM: UNEMPLOYMENT INSURANCE

Tax Office

Contributing Employers, FY 2007

Quarter/Year	Total 1020s Received	1020s Received within 90 days of Quarter due date	Quarter/Year	Total 1020s Received	1020s Received within 90 days of Quarter due date
3/2006	204,562	200,003	3/2005	207,672	203,610
4/2006	212,378	209,587	4/2005	198,447	196,131
1/2007	212,486	208,864	1/2006	210,556	207,851
2/2007	206,003	204,617	2/2006	192,583	192,583

Contributing Employers, FY 2006

Reimbursing Employers, FY 2007

Quarter/Year	Total 1020Rs Received	1020Rs Received within 90 days of quarter due date	Quarter/Year	Total 1020Rs Received	1020Rs Received within 90 days of quarter due date
3/2006	4,462	4,386	3/2005	4,343	4,237
4/2006	4,452	4,383	4/2005	4,340	4,278
1/2007	4,473	4,405	1/2006	4,391	4,315
2/2007	4,450	4,436	2/2006	4,319	4,319

Reimbursing Employers, FY 2006

Contributing Employers:

The number of contributing employers chart indicates who submitted the Employer's Quarterly Tax Report for each of the quarters from July 2006 through June 2007. An increase of 26,171 (3.13% increase) employers submitted the quarterly tax report for the four quarters ending June 30, 2007 as compared to the same quarters of a year ago. An average of 98.5% employers submitted the quarterly tax report within 90 days of the quarter due date.

Reimbursing Employers:

The number of reimbursing employers chart indicates who submitted the Employer's Payroll Report for each of the quarters from July 2006 through June 2007. An increase of 444 (2.48% increase) employers submitted the quarterly payroll report for the four quarters ending June 30, 2007 as compared to the same quarters of a year ago. An average of 98.7% reimbursing employers submitted the quarterly payroll report within 90 days of the quarter due date.